month of December, soon after the new Government took over, we increased the emoluments which are to be paid to the trainees during the period of training.

*185. *[The questioner (Kumari Sushila Tina) was absent. For answer,* vide *col.* 28 infra.]

Gas lift Project with Italian Consortium of saipem and Snam

*186. SHRI KAMAL MORARKA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to State:

(a) whether modalities have been finalised for the implementation of Gas Lift Project with Italian Consortium of Saipem and Snam;

(b) if so, by when the project is likely to start and what are the plans for its completion;

(c) whether the terms and conditions have been finalised for the Italian credit for this project; and

(d) if so, what are the details thereof?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M. S. GURUPADASWAMY) . (a) Yes, Sir.

(b) The execution of the Gas Lift Project has commenced and completion is scheduled for 30-4-91.

(c) and (d) Government of Italy have offered a soft credit of US $ 32 million for financing the Italian component of the above project. The terms of the Italian credit are:

(i) Amount US$ 32 million

(ii) Interest @ 1.5 per annum

(iii) Maturity 20 years

(iv) Grace Period 10 years.

SHRI KAMAL MORARKA; Sir, my first supplementary is whether it is a fact that other than the Italian firsm offer, there were offers which were cheaper and the offer of the Italian company was accepted because of the soft credit. So, I want to know whether there are other reasons rather than being the cheapest offer.

SHRI A. G. KULKARNI What is. the other reason?

SHRI M. S. GURUPADASWAMY; Sir, there were about 7 bidders. The name of the bidders and the quoted price is as under;

Sumitomo quoted price Rs. 111.42 crores, Essar quoted price Rs. 131.05 crores, Bouygues quoted price Rs. 124.80 crores, Saipem/Snamprogetty quoted price Rs. 120.16 crores, NPCC quoted price Rs. 170.68 crores, ETPM quoted price Rs. 175.39 crores and MII quoted price Rs. 234.74 crores. Saipem offer has not been one of the lowest. The lowest were Sumitomo and Bouygues, but they did not conform to the conditions prescribed. Therefore, they had to be eliminated. Ultimately Saipem/Snamprogetty offer was considered because there was foreign exchange ccredij available at a very concessional rate and the evaluated cost of Saimpem was Rs. 116.72 crores and Essar came to Rs. 158.37 crores. In the case of Essar the foreign exchange component would have been Rs. 80 crores and in the case of Saipem/Saamprogetty there is a concession rate available. This was one of the considerations which prevailed but final view has to be taken, we have not taken any final decision in the matter.

SHRI KAMAL MORARKA: My second supplementary is this. I want an assurance from the Minister, not about this but about the future contracts, whether the Government will make norms whereby we do not give orders merely because loan or credit is available and ultimately the country ends up in paying more. We should evaluate the tenders on a commercial basis. Will the Government prepare some guidelines so that international tenders are decided on merits rather than on considerations like credit availability?

SHRI M. S. GURUPADASWAMY: I share his view. Credit alone should not weigh with us. This is one of the considerations that was taken into consideration. The contract has not been

signed yet. We have yet to sign the contract.

SHRI KAMAL (MORARKA; If the contract has not been signed, will he reconsider the whole matter? *(Internip. tions)*.

SHRI M. S. GURUPADASWAMY: If Shri Subramanian Swamy has got money, he can come and offer me the lowest bid. I am going to consider.

SHRI NARAYAN KAR I want to Know whether the hon. Minister is aware that some Italian firm Snamprogetty came in the picture alter two months of the bids were completed, who have no recommendation from the World Bank for the feasibility survey of the project in Tripura.

SHRI M . S. GURUPADASWAMY: It is different. Tripura project is a different question.

SHRI NARAYAN KAR: It is an Italian firm.

SHRI M. S. GURUPADASWAMY; I know the anxiety of the hon. Member and that is why I am giving this little information. It is in a very preliminary stage. Its availability is less than one million metric tonnes and the project has yet to be prepared. Snam has come forward. Others have come forward. We have to take a decision in the matter. I know there are press reports to that effect. They are not entirely correct.

MR. CHAIRMAN; Question Hour is over.

WRITTEN ANSWERS To QUESTIONS

Working of the Bharat Bhari Udyog Nigam Ltd. Calcutta

*183. SHRI SATYA PRAKASH MALAVIYA: Will the Minister of INDUSTRY be pleased to state:

(a) whether the functioning of the Bharat Bhari Udyog Nigam Ltd. (Holding Company) has recently been seriously affected due to infighting among its officers in the administration;

(b) whether the compay has received a memorandum from the Steel, Metal and Engineering Workers' Federation of India, Calcutta in this regard; and

(c) if so, what steps have been taken to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH); (a) It has not come to Government's notice that there is any infighting amongst the officers in administration Seriously affecting the working of Bharat Bhari Udyog Nigam Ltd.

(b) No, Sir.

(c) Does not arise.

Foreign Collaboration in favour of M/S Simtools for manufacture of machinery

*185. KUMARI SUSH1LA TIRIA : Will the Minister of INDUSTRY be pleased to state;

(a) the reasons for granting a foreign collaboration to M/s. Simrools for manufacture of machinery in collaboration with a Brazilian company;

(b) what is the foreign exchange outflow involved; and

(c) if the machines to be manufactured are not under O.G.L., what is the value of import licences granted during the last five years?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH) : (a) The proposal of M|s. Simtools Ltd., Thane, for foreign collaboration with M|s, Holstein Kappert S A., Brazil was approved after due consideration as import of technology for the manufacture of bottling plants was considered desirable.

(b) The phased manufacturing programme of the company has not yet been approved and the company has not commenced production of bottling plants, the outflow of foreign exchange will be dependent upon the phased manufacturing programme of the company and the volume of production.

(c) Import Licence Statistics itemwise firmwise are not centrally maintained. Therefore, information, regarding value of import licences for import of bottling